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S E C R E T SECTION 01 OF 04 DAMASCUS 005399

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TAGS: PGOV, PREL, PTER, SY
SUBJECT: INFLUENCING THE SARG IN THE END OF 2006

Classified By: CDA William Roebuck, for reasons 1.5 b/d

1. (S) Summary. The SARG ends 2006 in a much stronger position domestically and internationally than it did 2005. While there may be additional bilateral or multilateral pressure that can impact Syria, the regime is based on a small clique that is largely immune to such pressure. However, Bashar Asad's growing self-confidence)- and reliance on this small clique -- could lead him to make mistakes and ill-judged policy decisions through trademark emotional reactions to challenges, providing us with new opportunities. For example, Bashar,s reaction to the prospect of Hariri tribunal and to publicity for Khaddam and the National Salvation Front borders on the irrational. Additionally, Bashar,s reported preoccupation with his image and how he is perceived internationally is a potential

liability in his decision making process. We believe Bashar,s weaknesses are in how he chooses to react to looming issues, both perceived and real, such as a the conflict between economic reform steps (however limited) and entrenched, corrupt forces, the Kurdish question, and the potential threat to the regime from the increasing presence of transiting Islamist extremists. This cable summarizes our assessment of these vulnerabilities and suggests that there may be actions, statements, and signals that the USG can send that will improve the likelihood of such opportunities arising. These proposals will need to be fleshed out and converted into real actions and we need to be ready to move quickly to take advantage of such opportunities. Many of our suggestions underline using Public Diplomacy and more indirect means to send messages that influence the inner circle. End Summary.

2. (S) As the end of 2006 approaches, Bashar appears in some ways stronger than he has in two years. The country is economically stable (at least for the short term), internal opposition the regime faces is weak and intimidated, and regional issues seem to be going Syria,s way, from Damascus, perspective. Nonetheless, there are some long-standing vulnerabilities and looming issues that may provide opportunities to up the pressure on Bashar and his inner circle. Regime decision-making is limited to Bashar and an inner circle that often produces poorly thought-out tactical decisions and sometimes emotional approaches, such as Bashar,s universally derided August 15 speech. Some of these vulnerabilities, such as the regime,s near-irrational views on Lebanon, can be exploited to put pressure on the regime. Actions that cause Bashar to lose balance and increase his insecurity are in our interest because his inexperience and his regime,s extremely small decision-making circle make him prone to diplomatic stumbles that can weaken him domestically and regionally. While the consequences of his mistakes are hard to predict and the benefits may vary, if we are prepared to move quickly to take advantage of the opportunities that may open up, we may directly impact regime behavior where it matters--Bashar and his inner circle.

3. (S) The following provides our summary of potential vulnerabilities and possible means to exploit them:

-- Vulnerability:

-- THE HARIRI INVESTIGATION AND THE TRIBUNAL: The Hariri investigation) and the prospect of a Lebanon Tribunal -- has provoked powerful SARG reactions, primarily because of the embarrassment the investigation causes. Rationally, the regime should calculate that it can deal with any summons of Syrian officials by refusing to turn any suspects over, or, in extreme cases by engineering "suicides.⁸ But it seems the real issue for Bashar is that Syria,s dignity and its international reputation are put in question. Fiercely-held sentiments that Syria should continue to exercise dominant

control in Lebanon play into these sensitivities. We should seek to exploit this raw nerve, without waiting for formation of the tribunal.

-- Possible action:

-- PUBLICITY: Publicly highlighting the consequences of the ongoing investigation a la Mehlis causes Bashar personal

DAMASCUS 00005399 002 OF 004

angst and may lead him to act irrationally. The regime has deep-seated fears about the international scrutiny that a tribunal -- or Brammertz accusations even against lower-echelon figures -- would prompt. The Mehlis accusations of October 2005 caused the most serious strains in Bashar's inner circle. While the family got back together, these splits may lie just below the surface.

-- Vulnerability:

-- THE ALLIANCE WITH TEHRAN: Bashar is walking a fine line in his increasingly strong relations with Iran, seeking necessary support while not completely alienating Syria's moderate Sunni Arab neighbors by being perceived as aiding Persian and fundamentalist Shia interests. Bashar's decision to not attend the Talabani) Ahmadinejad summit in Tehran following FM Moallem's trip to Iraq can be seen as a manifestation of Bashar's sensitivity to the Arab optic on his Iranian alliance.

-- Possible action:

-- PLAY ON SUNNI FEARS OF IRANIAN INFLUENCE: There are fears in Syria that the Iranians are active in both Shia proselytizing and conversion of, mostly poor, Sunnis. Though often exaggerated, such fears reflect an element of the Sunni community in Syria that is increasingly upset by and focused on the spread of Iranian influence in their country through activities ranging from mosque construction to business. Both the local Egyptian and Saudi missions here, (as well as prominent Syrian Sunni religious leaders), are giving increasing attention to the matter and we should coordinate more closely with their governments on ways to better publicize and focus regional attention on the issue.

-- Vulnerability:

-- THE INNER CIRCLE: At the end of the day, the regime is dominated by the Asad family and to a lesser degree by Bashar Asad's maternal family, the Makhluufs, with many family members believe to be increasingly corrupt. The family, and hangers on, as well as the larger Alawite sect, are not immune to feuds and anti-regime conspiracies, as was evident last year when intimates of various regime pillars (including the Makhluufs) approached us about post-Bashar possibilities.

Corruption is a great divider and Bashar's inner circle is subject to the usual feuds and squabbles related to graft and corruption. For example, it is generally known that Maher Asad is particularly corrupt and incorrigible. He has no scruples in his feuds with family members or others. There is also tremendous fear in the Alawite community about retribution if the Sunni majority ever regains power.

-- Possible Action:

-- ADDITIONAL DESIGNATIONS: Targeted sanctions against regime members and their intimates are generally welcomed by most elements of Syrian society. But the way designations are applied must exploit fissures and render the inner circle weaker rather than drive its members closer together. The designation of Shawkat caused him some personal irritation and was the subject of considerable discussion in the business community here. While the public reaction to corruption tends to be muted, continued reminders of corruption in the inner circle have resonance. We should look for ways to remind the public of our previous designations.

-- Vulnerability:

-- THE KHADDAM FACTOR: Khaddam knows where the regime skeletons are hidden, which provokes enormous irritation from Bashar, vastly disproportionate to any support Khaddam has within Syria. Bashar Asad personally, and his regime in general, follow every news item involving Khaddam with tremendous emotional interest. The regime reacts with self-defeating anger whenever another Arab country hosts Khaddam or allows him to make a public statement through any of its media outlets.

-- Possible Action:

DAMASCUS 00005399 003 OF 004

-- We should continue to encourage the Saudis and others to allow Khaddam access to their media outlets, providing him with venues for airing the SARG,s dirty laundry. We should anticipate an overreaction by the regime that will add to its isolation and alienation from its Arab neighbors.

Vulnerability:

-- DIVISIONS IN THE MILITARY-SECURITY SERVICES: Bashar constantly guards against challenges from those with ties inside the military and security services. He is also nervous about any loyalties senior officers (or former senior officers) feel toward disaffected former regime elements like Rif,at Asad and Khaddam. The inner circle focuses continuously on who gets what piece of the corruption action. Some moves by Bashar in narrowing the circle of those who

benefit from high-level graft has increased those with ties to the security services who have axes to grind.

-- Possible Action:

-- ENCOURAGE RUMORS AND SIGNALS OF EXTERNAL PLOTTING:

The regime is intensely sensitive to rumors about coup-plotting and restlessness in the security services and military. Regional allies like Egypt and Saudi Arabia should be encouraged to meet with figures like Khaddam and Rif, at Asad as a way of sending such signals, with appropriate leaking of the meetings afterwards. This again touches on this insular regime's paranoia and increases the possibility of a self-defeating over-reaction.

Vulnerability:

-- REFORM FORCES VERSUS BAATHISTS-OTHER CORRUPT ELITES:

Bashar keeps unveiling a steady stream of initiatives on economic reform and it is certainly possible he believes this issue is his legacy to Syria. While limited and ineffectual, these steps have brought back Syrian expats to invest and have created at least the illusion of increasing openness. Finding ways to publicly call into question Bashar's reform efforts)- pointing, for example to the use of reform to disguise cronyism -- would embarrass Bashar and undercut these efforts to shore up his legitimacy. Revealing Asad family/inner circle corruption would have a similar effect.

-- Possible Action:

-- HIGHLIGHTING FAILURES OF REFORM: Highlighting failures of reform, especially in the run-up to the 2007 Presidential elections, is a move that Bashar would find highly embarrassing and de-legitimizing. Comparing and contrasting puny Syrian reform efforts with the rest of the Middle East would also embarrass and irritate Bashar.

-- Vulnerability:

-- THE ECONOMY: Perpetually under-performing, the Syrian economy creates jobs for less than 50 percent of the country's university graduates. Oil accounts for 70 percent of exports and 30 percent of government revenue, but production is in steady decline. By 2010 Syria is expected to become a net importer of oil. Few experts believe the SARG is capable of managing successfully the expected economic dislocations.

-- DISCOURAGE FDI, ESPECIALLY FROM THE GULF: Syria has enjoyed a considerable up-tick in foreign direct investment (FDI) in the last two years that appears to be picking up steam. The most important new FDI is undoubtedly from the Gulf.

-- Vulnerability:

-- THE KURDS: The most organized and daring political opposition and civil society groups are among the ethnic minority Kurds, concentrated in Syria,s northeast, as well as in communities in Damascus and Aleppo. This group has been willing to protest violently in its home territory when others would dare not. There are few threats that loom larger in Bashar,s mind than unrest with the Kurds. In what

DAMASCUS 00005399 004 OF 004

is a rare occurrence, our DATT was convoked by Syrian Military Intelligence in May of 2006 to protest what the Syrians believed were US efforts to provide military training and equipment to the Kurds in Syria.

-- Possible Action:

-- HIGHLIGHT KURDISH COMPLAINTS: Highlighting Kurdish complaints in public statements, including publicizing human rights abuses will exacerbate regime,s concerns about the Kurdish population. Focus on economic hardship in Kurdish areas and the SARG,s long-standing refusal to offer citizenship to some 200,000 stateless Kurds. This issue would need to be handled carefully, since giving the wrong kind of prominence to Kurdish issues in Syria could be a liability for our efforts at uniting the opposition, given Syrian (mostly Arab) civil society,s skepticism of Kurdish objectives.

-- Vulnerability:

-- Extremist elements increasingly use Syria as a base, while the SARG has taken some actions against groups stating links to Al-Qaeda. With the killing of the al-Qaida leader on the border with Lebanon in early December and the increasing terrorist attacks inside Syria culminating in the September 12 attack against the US embassy, the SARG,s policies in Iraq and support for terrorists elsewhere as well can be seen to be coming home to roost.

-- Possible Actions:

-- Publicize presence of transiting (or externally focused) extremist groups in Syria, not limited to mention of Hamas and PIJ. Publicize Syrian efforts against extremist groups in a way that suggests weakness, signs of instability, and uncontrolled blowback. The SARG,s argument (usually used after terror attacks in Syria) that it too is a victim of terrorism should be used against it to give greater prominence to increasing signs of instability within Syria.

4. (S) CONCLUSION: This analysis leaves out the anti-regime Syrian Islamists because it is difficult to get an accurate picture of the threat within Syria that such groups pose. They are certainly a long-term threat. While it alludes to the vulnerabilities that Syria faces because of its alliance

with Iran, it does not elaborate fully on this topic. The bottom line is that Bashar is entering the new year in a stronger position than he has been in several years, but those strengths also carry with them -- or sometimes mask) vulnerabilities. If we are ready to capitalize, they will offer us opportunities to disrupt his decision-making, keep him off-balance, and make him pay a premium for his mistakes.

ROEBUCK

=====CABLE ENDS=====